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ABSTRACT

The W. E. Upjohn Institute for Employment Research prepared this study for the Subcommittee on Economic Progress of the Joint Economic Committee, Congress of the United States. Discussions in the document include factual information which leads to the present status of American Indians, suggested plans for improving education, incentives to attract industry to the reservations, the Indian Development Corporation as a planning and funding agency, the need for ongoing leadership training, the need for immediate measures to decrease unemployment, improved housing as a source of training and employment, and reorganization for more effective Indian programs. (LS)

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Toward a Fundamental Program for the Training, Employment and Economic Equality of the American Indian

A Reprint of a Paper From
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By
HERBERT E. STRINER

March 1968

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STAFF PAPER

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Preface

This paper was prepared for the Subcommittee on Economic Progress of the Joint Economic Committee, Congress of the United States. The views expressed herein do not necessarily reflect the views of the Joint Economic Committee, the Subcommittee on Economic Progress, or the individual members thereof; nor do they necessarily reflect the position of the W. E. Upjohn Institute for Employment Research.

Herbert E. Striner
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Washington, D.C.
March 1968

Toward a Fundamental Program for the Training, Employment and Economic Equality of the American Indian

BY HERBERT E. STRINER*

THE CURRENT SITUATION

On May 16, 1967, Secretary of the Interior, Stewart L. Udall, acting for the administration, submitted to Congress the Indian Resources Development Act of 1967. The main purpose of this bill is to provide Indians with managerial, credit, and corporate tools to enable them to participate more fully in the Nation's social, economic, educational, and political life; and to permit them to exercise greater initiative and self-determination. Title I of the act pertains to the provision of an Indian development loan authority; title II authorizes, through the Secretary of the Interior, somewhat broader incorporation charter provisions than have existed under earlier legislation; title III provides new authorities and clarifies existing authorities under whch Indian tribes manage property and conduct business transactions. This title also provides the Secretary of the Interior with additional authority for dealing with land acquisition and land fractionation on a more rational basis; and, finally, title IV deals with a miscellany of items of which one has to do with an increase of $10 million for adult vocational training. This item, section 401, is the *sole* provision in this so-called most important legislation proposed for American Indians since the Wheeler-Howard Act of 1934 [1] which has to do in any way with training and employment. This legislative effort to provide new, more meaningful options to American Indians reflects a tragic misconception of the needs of the Indian population and the means which must be made available to Indians if they choose to move away from their traditional cultures and toward that of the non-Indian society.

To begin with, the bill assumes a level of financial sophistication which is nonexistent in many tribes and provides little or no means of obtaining access to such resources. And although an appropriation for a $500 million loan fund is sought, not more than $100 million is available during the first 5 years, and no loan of more than $60,000 can be

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*Director of Program Development, the W. E. Upjohn Institute for Employment Research. The views and positions in this paper do not necessarily represent those of the W. E. Upjohn Institute for Employment Research.

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[1] Secretary Udall's statement, p. 1, Press Release of May 16, 1967, Office of the Secretary, U.S. Department of the Interior, Washington, D.C.

made without the approval of the Secretary of the Interior. But these objections to this new major legislation are minor ones. The core of the problem is that this new legislation ignores completely the fact that a solution to the Indian problem calls for efforts in education, training, housing, welfare, and health at a level of funding never properly understood. To apply the remedies of titles I–IV of the Indian Resources Development Act of 1967 to the current problem of our Indian population is analogous to developing a repair manual for a 1967 Rolls Royce before we have successfully built a 1928 model A Ford.

The Problems of Training and Employment

To deal with the problems of training and employment of American Indians is, to begin with, not a problem of huge budgets, at least relative to the size of most Federal programs we have grown used to. The entire Indian population of this Nation is about 600,000. But only approximately 400,000 are within the jurisdiction of the Federal Government, the remainder living away from the reservations and in various degrees of assimilation. But even amongst this latter group an unknown, though probably large, number need continuing help in adjusting to the non-Indian society. Thus, we are talking about a minority minority, making up about 0.002 percent of our total population. Viewed in quantitative terms, the training and employment problem for this relatively small group is deceptively small. What makes the problem formidable is not its size, but its nature. For it is made up of generous portions of just about every major social problem of the day: self-sustaining rural poverty, slum diseases, chronic unemployment of almost 50 percent of the adult male population, race prejudice, an imperfectly adopted school system and every little available socioeconomic data on which to build programs to alleviate or remedy these situations. The major Federal agency entrusted with the task of dealing with Indian problems itself has no integral research program.

Further, to deal with Indian training and employment problems, there must be a concerted effort to understand the different cultures of the Indian population. In a way, these cultures present at any moment in time a spectrum of civilizations which encompass a spread of several thousands of years. Some tribal groups are not far from the economies and cultures which we imagine ceased to exist well before the days of ancient Greece. And as far as group differences are concerned, there are 784 tribes, bands, groups, or communities which the Bureau of Indian Affairs has to deal with. Many are totally different from each other. The Navajo and the Crow share few of the same problems having to do with training and employment. The Cree and the Cherokee are also hardly amenable to the same type of economic development assistance.

This is not to say, however, that a training and employment program cannot be developed which is at once so general so that it can be designed within the usual definitional framework of what we call a program, and yet be so tailored that it has operational significance for diverse tribes with different cultures, geographic settings and stages of economic development. To begin with, there must be an understanding of and sympathy for a crucial problem which the Indian has regarding the white man—the problem of confidence. With-

out this, a Federal effort to move *with* the Indian, *not lead him*, in a direction of economic development and the training and employment which is implicit, will be an exercise in frustration.

Few Americans are unaware of the history of broken treaties with Indian tribes, oppressive military wars against them and rapacious land and water dealings by means of which the Indians were divested of much of their property. But this treatment, while ancient history to the white man, is not only fresh in the memories of the Indians but reinforced by an action taken in 1953 by the Federal Government.

1953—A Year of Retrogression

By 1953, under the Indian Reorganization Act of 1934, a good deal of progress had been made with regard to new programs stimulated by the Federal interest in changing the backward nature of its past relations with the Indians. However, with the passage of House Concurrent Resolution 108, 83d Congress, August 1, 1953, this progress was brought to a halt. House Concurrent Resolution 108 declared it to be the policy of the Government to withdraw Federal responsibility and services for Indians at the earliest possible date. Under this termination policy Federal responsibility and services for several tribes was ended without their consent during the mid-1950's.

This ill-advised action resulted in near economic chaos for the once economically stable Menominees of Wisconsin. Other Indians were also undesirably affected by this resolution. Under this policy of the early 1950's the relocation of thousands of Indians from reservations to urban areas where employment was alleged to be more readily available was encouraged. This experiment proved to be an expensive exercise in human misery for the Indians and wasted dollars for the Government. Far too many of the Indians so relocated were totally unprepared through education or vocational training to secure steady employment to support a decent standard of living in urban centers. Many of these Indians wound up in the slums or on skid row. Many others returned to the reservations with a further attitude of bitterness toward non-Indians as the result of this resolution. The program did not begin to be brought to a halt until September 18, 1958, when Secretary of the Interior Fred A. Seaton indicated that there should be no termination without the consent of the Indian tribes affected and every effort should be focused on health, education, and development of economic opportunities. Nonetheless, a great deal of damage had been done affecting Indian relations with the Federal Government and Indian suspicion of the real intent of the white man.

A Change of Direction

As a result of this policy of the mid-1950's and the much longer history of dishonest Federal relationships with the Indians, any major effort to take steps to improve Indian training and employment programs must first be built upon several fundamental shifts in the Federal Government's view of the Indian in the American society. To begin with, there must first be a conclusive statement on the part of the U.S. Government recognizing that, as the first Americans, the Indians alone among its people are under no social pressure to be culturally assimilated unless they choose to be. The Alaskan natives

must also, of course, be included. In short, the United States must concede that the Indians and Alaskan natives are indeed a special case. This, of course, has historic precedent in that *only* the Indians as an ethnic group are singled out for special treatment in the Constitution of the United States. Second, there must be a complete and formal disavowal of termination as a governmental policy or goal. If termination ever is to come for a tribe, it should come only after a long, slow process *wholly initiated and carried forward* by the tribe itself. It must be stressed in particular that neither tribal progress in socioeconomic development nor an award by the Indian Claims Commission should be used as a weapon to induce a tribe to apply for termination. Third, Indian lands (i.e., the Indian estates) must be viewed as being inviolate. A similar statement should be made about the trust status of allotted lands. In the latter only, there also has to be a statement of principles governing the rules of sale that must be drafted so as to fully protect tribal as well as individual interests. This would apparently be in contradiction with the hypothecation provisions contemplated under the new Indian Resources Development Act of 1967. And finally, there must be a policy that substantial Indian participation is involved or must be involved at both the national and local levels when any new proposals or programs are contemplated concerning improvement of Indian education, training, and employment or the economic development of Indian tribes.

It is difficult for any non-Indian who has not been involved in some measure with the problems of the American Indian to understand the crucial nature of the termination issue in any discussions which take place concerning economic development and employment of Indians. The Indian, for the most part, has a psychological and cultural relationship with the land which surpasses that usually understood by the non-Indian. There is not only a religious significance but there is also implicity an economic security significance of considerable concern to the Indian when his land or the tribal lands are referred to. Because of the policy of termination between 1953 and 1958, no programs can be developed which in any way indicate to the Indian that they might really be utilized finally to separate him from his land. To a considerable extent the termination issue poisons every aspect of Indian affairs today. The issue of termination is a major psychological barrier to Indian socioeconomic development. Only after there has been a *formal* disavowal of the termination concept will it be possible for individual tribes to start considering whether they would like to assume responsibility for individual socioeconomic programs such as those considered in the Indian Resources Development Act of 1967.

A second policy statement has to do with the fact that the Government bears and must continue to bear a unique relationship to the Indian problem having to do with assimilation. The concepts of termination and assimilation are closely interrelated and each has had some basis in premises that have dominated U.S. non-Indian attitudes for more than a century.

Assimilation as well as termination has operated from the beginning when Indians were first encountered by white settlers. The Indian, not having had the "benefits" of white civilization, was regarded as a childlike creature. Implicit in this assumption is the idea that when properly indoctrinated with civilization the child grows up and, logically, there will be some point in time when his status as an Indian,

that is as a child, can be terminated. Also, there was the premise or assumption that grew up in the latter half of the 19th century that the Indian is essentially no different from the non-English-speaking, uneducated immigrant. Like the immigrant, he was seen as having a social obligation to go through the "melting pot" so that he could be culturally assimilated into the dominant U.S. society. It was regarded as the role of the Government to help the Indian to go through the "melting pot" as rapidly as possible and once through it his status as an Indian could be terminated.

Although different, these two premises are so obviously intertwined that in effect they constitute a single idea—an idea which I believe to be patently false. The right of Indian separateness was clearly recognized in the Constitution of the United States. Indian tribes were recognized as nations enjoying a treaty relationship with the U.S. Government. It is noteworthy moreover that the Federal courts consistently treated individual Indians as persons who need special protection and services and the tribes as independent nations.

In addition to the legal right of some form of separateness there is the question of the social obligation to be assimilated by the dominant U.S. society. During the period of large-scale immigration to the United States, there was widespread acceptance of the idea that the immigrant was under a social obligation to be Americanized. Although what was involved may not have been defined in precise terms, there was a broad consensus endorsed by the immigrants themselves that at least in the ordinary daily business of life "the American way" of doing things was to be the prevailing standard. This broad and generally useful concept of the "melting pot" became so much a part of our folkways and was applicable to so many people, that it is understandable that the small group of U.S. Indians was not recognized as constituting an exception. But the Indians and Alaskans *are* an exception because they did not choose to immigrate to what is now the United States; they had settled here first. By contrast, our European, Asian, and South American immigrants in making their choice to come voluntarily to the United States also chose to become a part of the predominant U.S. culture. If the African Negro immigrants, who did not choose to come here, had succeeded in maintaining their culture, they, too, on emancipation, would presumably have constituted a second exception. As things worked out, however, their tribal culture was largely lost and they, too, chose to become a part of the general U.S. culture with its strong Anglo-European traditions.

But the U.S. Indian has no old country. His old country is here. And it was here that he was confronted by the onrushing flood of a rapidly evolving technologically based human migration that was successful in creating its own stable society. In any social system the effort necessary to preserve the old ways is frequently heavily reinforced when they seem under attack from without. Thus, today, we can only speculate whether if the Indian had not been pressured so unthinkingly to give up his culture, he might not have actually done so in far greater numbers as a matter of choice. Without question, however, the greatest tragedy in terms of Indian socioeconomic development was that the question of whether to enter U.S. society or not was apparently regarded both by the Indian and the Government alike, as an all-or-nothing proposition—a middle way whereby

the Indian could choose to participate on a selective basis in various nonreservation activities never gained much consideration.

A major influence in perpetuating the current frozen situation is the idea that the Indian has an obligation to be culturally assimilated, because this in turn, perpetuates the all-or-nothing idea that he must give up being an Indian if he is to have a chance to earn a share of the benefits of U.S. society. I believe that the logical action to get both parties out of this frozen situation is to separate the choice of job career and training from the choice of the extent to which the Indian wishes to adhere to his culture. Thus, it is important for the U.S. Government to specifically take the position that there is this separateness of issue and that the Indian will remain as an individual who is entitled to a uniquely preferential status in the future with regard to relationships between the Indian population and the non-Indian population and Government of the United States. Job development, education, and training must be dealt with, and can only be dealt with meaningfully, apart from this issue.

Economic Development

Almost half the Indian working-age population is chronically unemployed. Approximately half of the Indian families have incomes of less than $2,000 a year and about 75 percent of all Indian families have incomes of less than $3,000 a year. For no other group in our society do the economic measures give such a stark revelation of poverty. Ironically, even these indexes provide only crude measurements because the Indian has even been largely bypassed by our insatiable data-gathering activities.

In the past it has been assumed that the only solution to this problem was to persuade Indians to move to the cities and strenuous efforts were made to induce them to do so. Programs to assist Indians who wish to seek off-reservation employment should be continued and indeed strengthened. As a matter of fact, the Indians who wish to leave the reservation must be provided with an increasing supply of supportive services if they are to be able to make their way in the non-Indian society. However, it is hardly realistic to rely primarily on relocation as a means of alleviating the plight of the Indian with regard to training and employment. This route ultimately may be the one which young Indians will choose, but this choice will only be a free one when they have been educationally fitted for a wide variety of employment possibilities.

At the present time approximately 50,000 reservation Indians are unemployed and in 10 years population growth will require at least 10,000 more jobs. Such jobs can come primarily from three sources: (1) private non-Indian manufacturing plants that locate on or near reservations, (2) creation of Indian owned and operated businesses on reservations, and (3) housing and other public works construction programs.

The first step in any program concerned with training and employment of Indians must be that of the development of a far more effective educational system. This educational system must be one which is viewed as starting in the kindergarten years and continuing on through a college-training program.

Education

The nature of the problem: Everyone concerned with Indian education agrees that substantial improvements are necessary. The results speak for themselves: Indian children compare very unfavorably to the national averages in dropout rates and in achievement levels at all grades. Too many Indian children drop out with inadequate education to make them employable and too few Indian children realize their educational potential.

Of the approximately 150,000 Indian children in elementary and high school in the States in which the Bureau of Indian Affairs (BIA) operates schools, approximately one-third attend 254 Bureau schools, the other children go mainly to public schools, although approximately 8,000 attend private—mainly church-sponsored schools. Two-thirds of all children in Bureau schools attend 81 boarding schools, some of which enroll over 1,000 children. Nearly 60 percent of the day schools for elementary school children have enrollments of fewer than 100 pupils. In addition to the children in Bureau-operated boarding schools, approximately 4,000 elementary and secondary school children are housed in 18 border-town dormitories where they attend public schools off the reservation. If present trends on Indian reservations continue, the number of Indian children in Bureau schools and border-town dormitories together will increase from about 53,000 in 1966 to 72,000 in 1975.

Indian children attend school in an intercultural setting with the majority of their teachers and administrators being non-Indians. The curriculum, the books and teaching materials, and the underlying educational objectives are basically designed to prepare children for life in non-Indian, middle-class American society. Since Indian children on the reservation come from a very different society and most do not speak English when they enter school, their value system is very different from that implicit in the educational experience to which they are exposed. The schools do not view their task as that of helping Indian children to adjust to changes within their own culture, but to help them adjust to a culture alien to them. In doing so, they must (1) help the children speak, read, and write English, a language which is foreign to most of them; (2) expose them to experiences completely new to them (most Navajo children have never seen a city, or a boat, or an elevator before going to school, and many have not used silverware or even slept in a bed; most Eskimo children have not seen a horse or a cow before beginning school and many have never seen a tree); (3) help them to develop salable skills; (4) expose them to cultural values very different from their own (for example, a competitive role in which one seeks status as an individual rather than a cooperative one in which the individual subjugates his interests to those of the group) and hope they will accept them.

This is exceedingly difficult to do well. There is evidence that the emotional pressure generated by this intercultural setting of Indian schools contributes to serious mental health problems, high dropout rates and unsatisfactory achievement levels. Skill training and employability in adult years is seriously affected by these early educational deficiencies.

These difficulties are compounded by the minimal involvement of Indian parents in the formal education of their children. In most situa-

tions (there are some notable exceptions[2]) Indian parents are not encouraged to participate in the school experience and they do not really understand what is expected of their children in school and what is expected of them as parents other than to see that their children attend school. Not surprisingly, most Indian parents have ambivalent attitudes toward the schools their children attend.

Clearly, some way of increasing parental involvement is essential. The BIA schools in general tend to enroll the Indian children who (1) do not have access to a public school because of isolation, (2) are so retarded educationally that they cannot benefit from an ordinary public school program, (3) come from broken or disorganized homes and are so emotionally disturbed that they require boarding care, (4) are dropouts from public schools, or (5) need vocational education not available in their own communities. In general, the Indian children attending BIA schools are more disadvantaged than those attending public schools.

Even so, public schools are not notably more effective in educating Indian children than the Bureau schools and, in many places, are considerably less effective. The dropout rates are very high and achievement levels are well below national averages. Moreover, the strong factor of racial prejudice is present in many areas where substantial Indian populations exist. These attitudes make for a very inhospitable climate for educating Indian children in public schools. The assumption that integrated education is invariably better than segregated education must be qualified by a careful assessment of local circumstances in Indian country before it can be accepted as valid. It would not appear to be valid under present circumstances in many areas.

In addition to direct operation of the Bureau of Indian Affairs schools, the Federal Government contributes to the cost of educating Indian children in the public schools under four laws:

A. The Johnson-O'Malley Act, which was passed in 1934 authorizes the BIA to make grants to public schools which educate Indian children in areas where substantial numbers of Indian children are situated. In some cases, the BIA contracts with States (e.g., Alaska) to cover the total cost of educating Indian children. The public schools which received Johnson-O'Malley grants in 1966 enrolled over 56,000 Indian students.

B. Under Public Laws 874 and 815, Indian children are counted in the Federal impact formula for awards to States for construction and operation of public schools.

C. Under Public Law 89–10 (the Elementary and Secondary Education Act of 1965), projects for improving the education of disadvantaged children are available to schools operated by the States in Indian country and, under a new amendment to title I of Public Law 89–10, some $5 million had been available in fiscal year 1967 to the BIA for title I projects in BIA schools. These programs are administered by the U.S. Office of Education.

Early childhood education was initiated recently by the Office of Economic Opportunity which funded a number of Headstart pro-

[2] The Rough Rock Demonstration School at Chinle, Ariz., has demonstrated conclusively that this pattern can be changed. Under the able leadership of Dr. Robert Roessel, Navajo families have been brought directly into the designing and running of this residential school. Funded by the Bureau of Indian Affairs and the Office of Economic Opportunities, it is a model of Indian education.

grams on Indian reservations. The BIA school program starts children at age 6. It has long sought funds for kindergartens, but without success.

The expenditures of the Bureau of Indian Affairs in fiscal year 1966 for construction and operation of elementary and secondary schools, as well as Johnson-O'Malley grants to States, plus the grants made by the Office of Economic Opportunity for pre-school, elementary, secondary, and adult education projects totaled approximately $155 million in 1966. These funds do not include amounts paid to States and local school districts with Indian enrollment under Public Law 815, 874, and 89–10. It is difficult to obtain data concerning these programs. Indeed, one is overwhelmed by the inadequacy of data on Indian education (and on Indian problems in general) and the inadequate effort being directed to correct this deficiency. The complexity of the problems associated with Indian education merit substantial research and development efforts and strong determination to adopt promising innovations as they appear. The assumptions underlying the conventional approach to Indian education evidently have not been valid and a systematic search for more realistic approaches is clearly in order.

CONCLUSIONS ON EDUCATION AS A PRECONDITION FOR TRAINING

A. Improving the effectiveness of the education provided to Indian children must remain a high priority objective of the Federal Government. Although direct Federal action can most readily take place in the federally-operated schools, special efforts should be directed to encourage and assist the public schools in improving the quality of their education programs for Indian children. But rather than continue to press for the transfer of Indian children to the public schools, irrespective of whether they are willing and able to provide the special attention needed by Indian children, the federally-operated Indian schools should be made into models of excellence for the education of disadvantaged children. At the same time, the U.S. Office of Education should make much greater use of its resources and contacts to bring about improvement in Indian education in the public schools.

B. The costs of improving the education of Indian children are bound to be high. Indeed, a really effective program probably will require doubling or even trebling the per pupil costs. But the high educational costs are bound to be more than offset by the reduction in unemployment rates and the increases in personal incomes for Indians that are certain to follow in the wake of improved education.

C. It is essential to involve Indian parents in the education of their children and to give them an important voice—both at the national and local levels—in setting policy for those schools in which Indian children predominate. Indeed, wherever Indian tribes express the desire, and evidence the capability to do so, they should be permitted to operate schools directly under contract. As indicated earlier in this paper, a model for this approach already exists at the Rough Rock Demonstration School at Chinle, Ariz.

D. A major research and development effort is badly needed. The lack of solid, factual data on Indian education must be remedied as quickly as possible. Without such information, any serious re-

search program will remain limited as a resource on which to build more effective operating programs.

E. The curriculum (and teaching materials) in both the federally-operated Indian schools and public schools in Indian country should include substantial information about Indian culture and history and factual material about *current* Indian life. This is important both for Indian and *non-Indian* children, if they are to acquire a balanced perspective both on the Indian heritage and on current circumstances.

What Should Be Done?

A. *An immediate goal should be to make the federally-operated schools into a model system.*—A plan should be prepared in consultation between the BIA and the National Advisory Board on Indian Education (the establishment of which is recommended below) and with the help of the best expert advice obtainable in the country. It should allow for phased implementation with some innovations being embodied rapidly, others over a period of years. The target should be full implementation in 5 to 7 years, and the program should be initiated in fiscal year 1968. The plan should pay special attention to—

1. *Steps needed to strengthen the teaching staff.*—The most important requirement is to raise salaries. BIA teachers salaries are not really competitive on the national level. Starting salaries are too low, and teachers in BIA schools do not get the whole summer off as do teachers in State-operated public schools. Much more attention must be paid to screening applicants whose qualifications and motivation fit the especially exacting requirements of teaching Indian children. And much more effort must be made to provide special training—in the culture, the psychology, and the special problems of Indian children—to teachers of Indian children. Competent university contractors probably should be developed to provide this type of training.

2. *Pupil-teacher ratios.*—The average pupil-teacher ratio in BIA schools now is about 29 to 1. There is very strong evidence that the maximum effective ratio for teaching disadvantaged children is 20 to 1. (Some educators feel that even this is too high—that the ratio should be no more than 15 to 1 for seriously disadvantaged children.) Obviously, a change of this magnitude will require several years to bring about and will approximately double operating costs per pupil, but it is an essential step.

3. *Teaching of English as a second language.*—The BIA has recently inaugurated experimentally the use of teaching techniques and materials for teaching English as a second language. This practice should be spread as rapidly as possible throughout the Indian school system.

4. *Early childhood education.*—Present policy is to start children in BIA schools at the age of 6. There is strong evidence that early childhood education—particularly for children with the language and cultural backgrounds Indian children have—is important. The plans should envisage early childhood education down to the age of 3.

5. *Improved curriculum, reading and teaching materials.*—Special efforts should be made to develop the materials needed to include Indian (and specific tribal) history and culture into the curriculum and to produce reading and teaching materials that reflect the cul-

tural backgrounds of the children. At the present time Indian children are taught to read in books that were developed for white, middle-class children. The world portrayed therein has no meaning for Indian children. Indian history and culture must be introduced early and should appear in appropriate places throughout the elementary and secondary programs so that the children emerge with a realistic grasp of—and pride in—their Indian heritage, as well as an understanding of the non-Indian American culture. Psychologists and educators are agreed that Indian children must acquire a positive image of themselves in the educational process and a realistic understanding of their environment if they are to be well adjusted, in good mental health, have a successful educational experience.

6. *Elimination of boarding schools.*—At the present time large numbers of Indian children—starting at age 6—are attending boarding schools which are sometimes long distances from their homes. Most educators and psychologists would agree that separating young children from their parents is not desirable. Solving this problem will prove to be extremely difficult, but given sufficient time, money—particularly for roads—and determination, it can be solved.

7. *Guidance, counseling, mental health.*—Trained guidance counselors and school psychologists are much too scarce in Indian schools. Indian children need extra attention, and probably at earlier ages, than is the case for most children if dropout rates are to be reduced, vocational options wisely selected, and emotional disturbances dealt with properly.

8. *Vocational education.*—At the present time, vocational training available to Indians is limited to two types: the post-high-school training offered, for example, at Haskell Institute in Lawrence, Kans., and adult vocational training offered to Indians between the ages of 18 and 35 in regular private vocational training schools. Vocational education should be strengthened considerably by developing it along two lines. First, it should tie in directly with the basic fundamental educational system. This type of fundamental education, however, must be considerably different from that which now exists in Bureau schools. Training in language and mathematical skills should relate directly to utilization in an actual commercial, industrial, or other type of business application. The vocational education program itself should be undertaken no sooner than the last 2 years of high school. At an earlier period, the child is not really able to absorb a sufficient amount of fundamental education along with enough of the skill training aspects so that he is well grounded in either. Unless the Indian child is to go on to a technical training program beyond the 12th grade, he must have a sufficient fundamental background in reading and mathematical concepts, and to dilute this in the 9th or 10th grade with vocational skill training would be most unfortunate. In addition, the vocational skill training the Indian gets in the 11th and 12th grades must be viewed only as preparatory for further on-the-job training which he will have after leaving high school. A second type of vocational training should be that which provides for technical training institutes at the 13th and 14th grade levels. Increasingly, in order to prepare for the new types of more technically oriented jobs in our society, the young person must have a background which is sufficiently deep in the fundamentals so that a 4-year education at high

school level should be viewed as a jumping off point for 2 years at a technical training institute or a junior college which is concerned primarily with a move into a job rather than a move into a regular liberal arts college system. The technical training institutes should be developed in close relationship with industries which the institute envisions itself as serving. This is important for several reasons. To begin with, only by actually having industry representatives involved in the technical institute training program can we be assured of the fact that the curriculum will reflect the realities of the actual job situation itself. Representatives from industries or commercial organizations for whom the training is taking place should be made a part of the institutional organization [3] in order to develop criteria for training, curriculum development, and finally act as the means of placement. In addition, it is important that the technical training institute devote far more resources than is ordinarily the case to counseling. We have a built-in bias in our present senior high school system which provides ample counseling for those students who are college bound, but very little guidance for those students who are concerned with a job as their next move after graduation from high school. As a result, the vocational students have very little in the way of inputs concerning fields which are open to them and further education which they may need. The same situation should be prevented from occurring if we establish these new technical training institutes. We must start out with the ideas that counseling is a major factor for the success of vocational training. The adult vocational training program has been successful in aiding Indians to develop their skills. The present authorization allows a maximum flexibility for developing special programs for Indians. The BIA should be encouraged to use this flexibility to experiment with new programs of wider scope which extend into new fields. Increasing attention should be given to apprenticeship training in the management of service and retail business. As reservation development is stimulated, the opportunities for Indians to go into this type of training will increase. The apprenticeship phase of the training might be coupled with formal training in business procedures. On-the-job training in the construction trades is also of special interest. Significant amounts of construction occur on reservations without Indians benefiting from employment. Because of short contracts and the seasonality of the industry, special arrangements need to be worked out. A special effort should be made to use on-the-job training for Indians in any "turnkey" housing contracts with Indian housing authorities. It should also be used by Indian housing construction enterprises and for training Indians for road construction work.

9. *University relationships.*—Relationships—funded either through contracts or grants—should be established with universities to stimulate and sustain their long term interest in Indian education. Ideally, several universities should develop long term relationships and interest in the educational problems of specific tribes to (*a*) help develop curriculum, reading, and teaching materials, (*b*) train teachers and guidance personnel, (*c*) do research, and (*d*) provide technical assistance.

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[3] Serving on curriculum development groups, training advisory committees, and placement advisory committees.

10. *Adult education.*—Special efforts should be made to use the federally operated Indian schools as centers for adult education. For example, arts and crafts programs, English teaching, literacy programs, community leadership and organization, and many other subjects should be considered.

11. *Research and development.*—The federally operated Indian schools should be especially alert to promising innovations in educational techniques and technologies. The problem of improving the education of disadvantaged children is one of the major tasks faced by the Nation as a whole and by many underdeveloped countries. The federally operated Indian schools should lead the way in developing effective solutions for these problems.[4] Thus, a major commitment to research and development is urged not as a frill but as a basic need.

In this connection, one cannot help but be impressed with the paucity of data on almost every aspect of Indian education. A really thorough study of Indian education is badly needed. To insure objectivity, such a study should be performed by a highly qualified, university-based group which presently has no involvement in, or responsibility for, any aspect of Indian education. The study should cover the education of Indian children under all the main sets of circumstances where it occurs, i.e., in BIA schools, in State-operated public schools where Indian children are in the majority, also where they are in the minority, and in the mission schools.

B. An all-Indian school board should be established for each federally operated Indian school. The basic purposes of establishing such school boards would be (1) to give Indian parents an important voice in shaping the educational experience of their children; this is a *sine quo non* for obtaining affirmative parental involvement, which in turn is essential for any school to operate effectively; (2) to stimulate use of the schools as centers for adult education and community development; (3) to insure that the school administrators and teachers remain attuned to the attitudes and values of the local community they serve. Without such a board, the danger of school administrators being paternalistic and patronizing in their treatment of Indian parents will persist.

The school boards must be given a real voice in setting policy and programs for the schools. This recommendation may be viewed as both impractical and threatening by many BIA school administrators. There no doubt will be many practical problems to solve. For example, a careful study undoubtedly will be needed, to develop the specific areas of authority, selection procedures, and relationships to tribal government, as well as BIA, of the school boards. Also, training programs (or seminars) for school administrators and for Indian school board members will be needed to prepare them for dealing with each other. But none of these problems is insuperable.

C. Establish a National Advisory Board on Indian Education. Ideally, this should be a statutory board, but since it will take many months for Congress to consider and act on legislation, in the interim the Secretary of the Interior could establish a 12-member board, at least half of whom should be Indians; the others should be outstanding

[4] Much can and should be gleaned from the experiences gained from the many experimental programs supported by the poverty program which have dealt with innovative educational techniques. Federal funding of programed learning and computer-oriented learning systems lags with respect to Indian education.

educators and private citizens with broad backgrounds in public affairs. The purposes of the board would be to (1) advise the Secretary and the Commissioner of Indian Affairs on educational policies and programs for the federally operated Indian schools, (2) advise on policies and programs affecting the education of Indians in the State-operated public schools. The Board's concerns should cover the entire spectrum of the problems of Indian education. Secretariat service should be supplied by the Commissioner of Indian Affairs. Both the Commissioner of Indian Affairs and the Commissioner of Education should be *ex officio* members of the Board.

One of the first tasks of the Board would be to advise the Commissioner of Indian Affairs on the development of a comprehensive plan for making the federally operated Indian schools into a model system. The Board undoubtedly will request that certain studies be undertaken, that data be presented to it regularly, and that a periodic—probably annual—report on Indian education be prepared.

D. The Commissioner of Education should have the U.S. Office of Education use its best efforts to help the States improve the quality of education offered to Indian children.

At the present time the U.S. Office of Education is unable to even supply data on the amount of money from its grant programs which actually benefits Indian children. The Office of Education, if directed to do so, could use its resources and extensive relationships with the States to bring about substantial improvements in the quality of education now being provided to Indian children in the public schools. Furthermore, OE's research and development funds, including the regional educational laboratory program, could and should direct substantial attention to Indian education. The result will benefit not only the Indians, but all schools educating disadvantaged children.

E. Adult education and agriculture extension programs should be given additional emphasis with an expansion of funding. Both the Indian Bureau and the Office of Economic Opportunity help to provide special education and training for Indian adults. The Bureau budgeted $1,105,000 for this activity in fiscal year 1966. The amount was reduced to approximately $700,000 during fiscal year 1967 and the Office of Economic Opportunity budgeted $470,000. Programs in which both are interested include literacy training, instruction in money management and civic responsibility, alcoholic rehabilitation, the arts and crafts training, and general community development.

Both agencies also contribute funds for agricultural extension and home demonstration programs. The BIA allocated $1.8 million for this activity in fiscal year 1966 and Office of Economic Opportunity $1,007,000. The Bureau's program includes grants to State extension services in various parts of the country. Only in Arizona and Mississippi, because of peculiar situations in these locales, does BIA provide all extension and home demonstration services on Indian reservations, rather than rely on State officials. It also provides some services in New Mexico, Florida, and Alaska. The BIA extension program also reaches Indian youngsters through 4–H Club programs. In 1966 there were 14,000 young Indians enrolled in these organizations. The Office of Economic Opportunity contributes to the adult education, extension and home demonstration efforts through grants to tribal community action programs. Among the activities funded thusly are the establishment of family centers, home and family improvement programs,

family life education and training, and agriculture and livestock management. These are all valuable programs, but reach only a small percent of those who need such help.

Employment

In 1952, the Bureau of Indian Affairs undertook a national program of relocation assistance to Indians which was aimed at those family heads who were motivated to seek employment away from the reservation. Aid was also furnished to dependents and included transportation, subsistence grants prior to the receipt of a first paycheck, and counseling and guidance to the adjustment of an urban community. Later the program was increased both as to geographic scope and the range of services provided. Actually, the supportive counseling and guidance help was on an extremely limited basis. In 1956, the program was given additional impetus when Congress enacted Public Law 84–959 authorizing the Bureau to provide Indians, chiefly between the ages 18 and 35, with vocational training, on-the-job training and apprenticeship training. The original act provided for an appropriation of $3,500,000 for each fiscal year. Due to the increased demand for this type of service by the Indian people, the act was amended on September 22, 1961, to provide $7,500,000 each fiscal year. On December 23, 1963, Congress again amended the act to provide $12 million each fiscal year and on April 22, 1965, further amended it to provide $15 million a year. Obviously, the demand for this sort of program has exceeded the rather conservative estimates of the funding that was needed to provide for the supply of services and training called for.

In July 1962, the name of the Bureau's program was changed to "Employment Assistance" and at that time the concept of the activity was broadened to include placement on or near reservations as well as at the following seven urban centers: Chicago, Ill.; Cleveland, Ohio; Dallas, Tex.; Denver, Colo.; Los Angeles, Oakland, and San Jose, Calif.

At present the employment assistance program of the Indian Bureau concentrates on assisting Indians to go directly into employment; to enter institutional training in approved public and private schools; to enter employment in on-the-job training situations under contract with industry; and to enter apprenticeships. Individuals participating in these programs and the members of their families are assisted to obtain employment and are furnished grants for transportation, subsistence en route to destination, subsistence until receipt of first paycheck, tuition, personal appearance, health, furniture, and housewares and emergencies. In addition, participants are furnished counseling and guidance supportive services for adjustment to the job and the community. Included in these supportive services are prevocational training for those with a low degree of educational attainment to enable them to enter into vocational training and special orientation if needed at centers in Seattle and Oakland. The former city, of course, is primarily for Alaskan natives.

From the inception of the program through June 30, 1966, a total of about 26,000 single persons or heads of families were assisted in going directly into employment. During the same period approximately 15,000 single persons or heads of families were helped to enter

institutional training and approximately 5,000 single persons or heads of families were assisted to enter on-the-job training situations making thus for a total of approximately 46,000 program recipients for all activities. At present, institutional training is provided at a little over 350 accredited schools in approximately 900 approved courses throughout 26 States. On-the-job training is now provided under 32 different contracts with industry on or near Indian reservations in 13 States. Indians are also eligible to participate in other federally sponsored training programs such as those made possible by the Manpower Development and Training Act (MDTA) and the Economic Opportunity Act. Training programs for Indians on reservations are conducted by the Labor Department under the MDTA. Except for a limited number of all Indian projects, these are integrated MDTA efforts. Since the records of the various State employment services agencies preclude identification by race, the Department of Labor has not assessed the number of Indians participating. It is, however, in the process of evaluating the role which the Manpower Development Training programs are playing with respect to minority groups throughout the country. During fiscal year 1966 the Office of Economic Opportunity provided training and employment opportunities for Indians under four major programs: The Neighborhood Youth Corps (NYC), Title V, Work Experience, Migrant and Agricultural Placement, and Homebuilding and Improvement Training. Approximately 18,000 trainees were enrolled in the NYC and approximately 500 were enrolled under title V work experience. One reservation was funded for a migrant and agricultural placement project and three reservations with a little over $2,250,000 were funded for projects having to do with homebuilding and improvement training.

All of these efforts by the Office of Economic Opportunity and the Bureau of Indian Affairs in the field of employment assistance are woefully slight given the overwhelming magnitude of the employment and training task. I have already alluded under the part on education to the necessity for a major expansion of vocational-educational activities, but beyond vocational-educational activities there is an urgent need for an expansion of a placement and counseling function within the Bureau of Indian Affairs. There is also a major need for an expansion of the housing and community improvement activities which have been touched but slightly by the OEO funding in 1966. Indeed, under the heading of "Employment, Job Development and Training," I would say that two major potentials for progress stand out—the first has to do with housing needs on the Indian reservation and the second has to do with the provision of incentives for business expansion of activities on or near reservations. Let me first deal with the expansion of private business activities on or near Indian reservations.

Most Indian reservations are relatively unappealing locations for industry. Most were established on lands with little economic importance to the white settlers. With few exceptions, despite the technological progress of the past century, the Indians' lands generally remain of limited potential, especially in relation to their burgeoning population. (In contrast to a nearly 50-percent decline in the U.S. farm population from 1930 to 1960, the Indian population on or near reservations jumped by more than 50 percent.) Non-Indians have been

quick to exploit the few valuable economic opportunities, ranging from furs to oil, and few durable benefits have accrued to the Indians. The distances between reservations and major markets result in high transportation costs. Intrareservation transportation systems are minimal. There is an acute shortage of management skill on reservations. Much of the labor force is untrained and unaccustomed to the requirements of steady employment. Utilities and public facilities are only in the early stages of development. The Indian population is widely scattered; few Indian communities have a population of over 3,000.

Strong incentives, therefore, are needed to attract industrial plants to reservations. The package of incentives proposed below is absolutely essential to secure the additional jobs upon which the full range of Indian progress depends. Later in this section, a plan for a new instrumentality to help foster an economic takeoff, the Indian Development Corporation, is set forth.

A. INCENTIVES TO ATTRACT INDUSTRY

Private capital, business ideas, and management capability are powerful forces for the rest of our country, but little of their impact has been felt on Indian reservations. It is doubtful that many industrial firms will locate their plants in these areas, far from their other operations and from localities that are attractive living places for their executives, unless inducements stronger than those now being offered by thousands of municipalities throughout the country are available to attract them.

1. *Employment tax credit.*—A prime incentive should be a tax credit for industries that establish new plants on or near reservations, based on the number of Indians they employ. This approach is offered for three principal reasons:

(*a*) There are over 100 reservations with serious unemployment problems. The amount of tax credit could be varied to meet the needs of each of these different situations.

(*b*) The benefit would apply only to economically feasible enterprises. A direct employment subsidy, in contrast, would require payments to firms whether or not they were profitable and thus tend to encourage marginal operations.

(*c*) Direct Federal budget expenditures would be avoided. This would tend to encourage the maintenance of a consistent program over a period of years without dependence on the uncertainties of the appropriations process. Also, an increase in the Federal budget would not occur, even though the net effect due to the reduction in revenue might be the same. Furthermore, many industrial firms will not accept a direct subsidy payment, but welcome a tax credit.

2. *Details of tax credit proposal.*—Although the details of a tax credit proposal would have to be worked out in consultation with both industrial and Indian leaders, certain principles appear as important for such a plan:

(*a*) Eligibility should be based on a certification by the president of the Indian Development Corporation (described below) that the enterprise would make a significant contribution to reducing unemployment on the reservation. Only firms employing a minimum of 10 Indians or with Indians comprising 10 percent of their labor force

of over 100 should be eligible. The purpose of the certification is to limit the credit to firms contributing to Indian development.

(*b*) The tax credit should be limited to a maximum of $1,200 per 12 man-months of Indian employment. For purposes of relating the credit to the degree of adversity in economic conditions, reservations should be classified into four categories. Some reservations should be ineligible for credit; others should be eligible for a credit of $300, $800, or $1,200 per 12 man-months of Indian employment based on the expected difficulty in attracting industry. The president of the Indian Development Corporation would be responsible for making the classification based on recommendations made by an advisory committee composed of qualified businessmen, economists, and other experts. One year after the classification was announced, it would be reviewed for possible adjustments and reviewed biannually thereafter. However, once a firm received a certification for a specified tax credit, it should not be changed.

(*c*) The tax credit should be limited to 10 years for each new enterprise established, with 1978 as the cutoff date for establishing eligibility.

(*d*) The credit should be applied only in the years in which Indians are employed and only against the tax liability for the specific plant in which Indians are employed.

3. *National benefit of tax credit proposal.*—The net effect upon the Nation's economy would be beneficial whether or not a high general employment level prevailed.

A general assumption is that the U.S. economy will continue to operate at a high level of employment, and that any labor displaced by industry relocating on Indian reservations is mobile and will find employment elsewhere. Because of the structural character of Indian unemployment, there is no "opportunity cost" for Indian labor, as Indians employed by industry locating on a reservation would not be giving up other jobs, or if they did would be leaving a vacancy that could be readily filled by other less skilled and unemployed Indians.

Assuming that the annual wages for Indians employed by industrial firms average $3,000, the net benefit to the economy would be somewhere between that figure and about $1,800 a year. The initial benefit would be the $3,000 wage itself. Against that should be set the net cost to the economy incurred from locating plant facilities on a reservation rather than elsewhere in the country, e.g., additional transportation, incentive pay to management for living on a reservation, and possibly some underutilization of plant capacity off the reservation. Together these items might amount to as much as $1,200 per Indian job. Because the tax credit is only a transfer of funds from one group to another in the country, it would not be a real cost to the economy.

If, on the other hand, the economy were not at a high level of employment, the relocation would result in a net cost to the economy because the wages provided would not in themselves be a clear gain. However, a significant number of the industries that are expected to locate on Indian reservations are the type that in the absence of the tax credit would locate outside the United States. (The two largest industrial employers on reservations, employing 450 and 225 Indians, respectively, are firms that were planning to locate plants outside the United States until they were persuaded to locate on reservations.) The benefit to the economy of each Indian employed by this type of

firm would be $3,000 plus increasing the demand for goods in the rest of the country (estimated to equal the Indian wage), giving a minimal benefit of $6,000 per employed Indian. Thus, in a depressed employment situation, assuming again that the relocating costs could reach a maximum of $1,200 per job, if only one job out of six were provided by industry that would otherwise locate outside the United States, the net effect for the economy would still be beneficial.

In sum, the tax credit would increase total employment and production in the United States. Without it, some of the production and income will not be realized at all, and some will be carried abroad by firms unable to find the necessary types of labor in this country. Whatever the effect on tax revenues from this additional production, the Government would also reduce the costs of relief expenditures now being made to support impoverished Indians on the reservations.

4. *Depreciation allowances.*—Much of the industry attracted to reservations as a result of the employment tax credit will be highly labor intensive and have relatively low skill requirements. Resulting wage rates will be low in relation to general industrial wages. In order to attract industry with higher skill requirements and to present Indians with the opportunity to develop higher paying skills, a rapid depreciation schedule should be provided. Such a schedule might follow the lines of the special depreciation schedules during the Korean war. To prevent misuse of the rapid depreciation authority, a firm would have to obtain a certification from the President of the Indian Development Corporation that the installation of equipment on a reservation would benefit Indian employment.

5. *Credit financing.*—Whether measured by ratio of investment to population or investment to natural resources, Indian reservations are drastically undercapitalized. A significant portion of the capital required to develop the 60,000 jobs needed by 1977 must be provided or backed by the Federal Government. A variety of forms of credit should be authorized to provide a spectrum of instruments to finance job-creating enterprises. There are at least three specific needs of such credit:

(*a*) Credit is needed for construction of factory buildings and related facilities on reservations to offer modern plants at reasonable rentals to interested industries. Municipalities throughout the country now finance, through tax-exempt bonds, facilities of this type. Indian tribes lack the credit standing or the authority to issue bonds for those purposes. To compete for plant location, Indian tribes must be on at least an equal footing with municipalities.

(*b*) Credit is needed for financing the establishment of Indian-owned enterprises such as for housing construction. With technical assistance, tribes should be able to start natural-resource-based and service industries.

(*c*) Credit is needed for starting small business enterprises. As the rate of economic activity on reservations increases, individual Indians will be encouraged to start service activities. Private credit is not generally available on reasonable terms to Indians. Hence, two things are needed: (1) authority to guarantee private loans and (2) authority and funds to enable the Indian Development Corporation to make direct loans.

In order to provide for this level and type of credit, innovative approaches must be utilized. To move in this direction, I would recommend:

(*a*) Legislation authorizing an Indian Development Corporation, initially to issue $200 million of bonds backed by the full faith and credit of the U.S. Government. The bonds should be in two series: One, to fund projects for which a municipality could issue tax-exempt bonds, and another to fund other direct lending operations of the Corporation. A 40-year amortization period should be authorized, and up to a 10-year development period during which payment of interest and principal could be deferred.

(*b*) The Indian Development Corporation should be authorized to sell short-term securities to tribes as an inducement for them to invest up to $150 million which are now held in Treasury trust funds.

(*c*) The Indian Development Corporation should be authorized to guarantee loans to tribal corporations and individual Indians along the lines of H.R. 9323 of the 89th Congress, and to make grants in conjunction with loans along the lines of H.R. 9323 for small business enterprises only.

(*d*) An initial appropriation of $50 million should be authorized to the Indian Development Corporation as a fund for paying guarantee and insurance claims and to meet deferred interest and principal payments on outstanding loans.

(*e*) In addition, the Bureau of Indian Affairs' Revolving Loan Fund should be transferred to the Indian Development Corporation and be merged with the Corporation's credit operations. Additional direct appropriations should not be requested for the revolving fund since funds will be available from the receipts of bond sales.

6. *Planned industrial communities.*—An additional economic development program would suggest that independent financing should be used to establish planned industrial communities on Indian reservations to help demonstrate to industry the potentialities for locating plants on reservations.

Especially at the early stage of the 10-year development period, it will be difficult to bring together the sources of financing suggested above to permit experimentation in the formation of new model communities, and to avoid harmful effects of haphazard community growth. A special $10 million grant to the Indian Development Corporation could provide necessary leverage, above and beyond other financial resources available from housing, education, and other programs.

It is important to develop a concept that goes beyond merely providing physical facilities. We should seek to create the opportunity for imaginative organizations to suggest how a specific group of Indians can organize itself into an economically viable community—even to the extent of suggesting how the community should govern itself. Flexibility and freedom to try new ideas should be the hallmark of the effort.

Since the communities are being developed primarily to create jobs, the Indian Development Corporation should have overall responsibility for the grants. It should invite proposals from business, nonprofit and any other interested groups, for the development of one new and one existing Indian community. Each should be in separate sections of the country to obtain the greatest demonstration value. Communities of about 2,000 and 5,000 should be specified to show applicability to dif-

ferent size populations. The grant might be divided—$3 million for the smaller community and $7 million for the larger.

To obtain maximum participation, a two-stage process is suggested. First, proposals should be invited for a general feasibility plan for the development of an Indian community. Four of the best plans, as determined by a panel of experts, might be purchased at $50,000 each. The organizations submitting these plans would then be asked to develop detailed proposals for the communities. From these four proposals, two would be chosen for development. The winning organizations could have responsibility for managing the development phase (assuming they were judged to be competent to do so and the affected tribes concurred).

Obviously, an appropriation of $10 million would have to be authorized for this demonstration program for the design and establishment of the two Indian economic growth centers.

B. THE INDIAN DEVELOPMENT CORPORATION

Although economic development has been a major goal of the Bureau of Indian Affairs in recent years, and job-creating programs have been initiated, these efforts have not been able to cope with the population increase and the decline in employment available to Indians in agriculture, let alone the large backlog of unemployed Indians. A new organization at the national level is needed to administer the incentives described above and create 60,000 new jobs for Indians by 1977. Leadership can best be provided by a federally chartered Indian Development Corporation (IDC) with broad responsibilities to promote economic development on Indian reservations.

The IDC's major concern would be to mobilize the energy and know-how of the private business sector. The image and visibility of the organization would be important in eliciting business cooperation. A corporate organization would permit businessmen to participate in the direction of the programs through membership on the board of directors (as described below). In addition, the corporate form of organization, which is familiar to businessmen, would be an advantage in the many contacts that would result from industrial promotion, credit, and economic incentive programs.

Stability in administration, funding, and leadership are needed to convince Indian tribes that the Federal Government is sincere in its development programs. Primary reliance on bond financing rather than annual appropriations, and the Indian participation on the board of directors of the corporation would help meet these requirements.

The personnel needed to administer a development program of the scope required are not available in the Bureau of Indian Affairs, and are not likely to be attracted there. I fear that the imagination and drive needed to initiate the new programs would not be forthcoming if they were simply added to the responsibilities of BIA. The economic development program will need to be closely meshed with other BIA activities, but it is a clearly separable part that should be carried on elsewhere if the necessary forward movement is to be achieved.

1. *Organization.*—The IDC should be governed by a 15-man board of directors appointed by (and to serve at the pleasure of) the Presi-

dent with the advice and consent of the Senate. A membership along the following lines is suggested:

Six Indian members.
Five businessmen.
Two educators.
Commissioner of Indian Affairs.
A senior official in the Department of Commerce.

The president of the Corporation should be selected by the Board of Directors. He would be the Corporation's chief executive officer with direct responsibility for its management.

The IDC will need a Washington and a field staff to carry on its contact work with the proposed individual tribal development corporations. This staff, which may ultimately reach several hundred, should include economists, specialists in industrial credit and promotion, business and management training, and industrial processes. To maintain a private business orientation, a number of the staff should be obtained from business to serve a 2- or 3-year tour of duty. (Retired industry executives may be a good source of highly qualified personnel.) The IDC should be exempt from the Classification Act and the civil service personnel system to permit maximum flexibility in its staffing. Arrangements might be worked out whereby IDC would make payments to the retirement system of a private company or the Federal retirement system while an employee was working on the staff of the Corporation. The expenses and staff of the Corporation should be financed by a regular annual appropriation.

2. *Aims and functions.*—The aims of the IDC should be, first, to encourage and promote business firms to establish on or near Indian reservations industrial, commercial, and agricultural enterprises that increase the economic opportunities open to members of the Indian tribes; and, second, to encourge and promote Indian ownership and management of industrial, commercial, and agricultural enterprises.

In pursuing these aims, IDC would carry out the following functions:

(*a*) Managing the industrial incentives program described in section A above. In addition to classifying reservations for the employment tax credit, this would involve making certifications of eligibility for each firm that wanted to obtain the employment tax credit and the rapid depreciation allowances;

(*b*) Carrying on an intensive industrial promotion campaign to persuade industry to locate on Indian reservations;

(*c*) Chartering tribal development corporations which would be the on-reservation organizations to promote and establish business ventures;

(*d*) Aiding the tribal development corporations by—

(1) Helping prepare reservation profiles for industrial promotion;

(2) Making grants to them for general economic surveys and project feasibility studies. In connection with these grants, IDC would develop and maintain a roster of competence of individuals and organizations capable of providing responsible planning assistance to the tribal corporations. Use of consultants on this list would be mandatory for studies funded by IDC grants;

(3) Providing loans to them for financing industrial plants and support facilities which could be leased to industries locating on reservations;

(4) Making loans to tribal corporations to finance tribal and individually owned Indian business enterprises. Along with this IDC would provide technical assistance.

(5) Conducting leadership and management training for the boards of directors and officers of the tribal corporations and the managers or potential managers of tribal enterprises; and

(6) Carrying on relevant research.

In conclusion then, I would suggest that Congress authorize a federally chartered Indian Development Corporation with broad responsibility to promote economic development on Indian reservations. BIA's credit and industrial promotion activities should be transferred to this corporation.

3. *Tribal development corporations.*—The tribal development corporations are the on-reservation instruments for promoting and initiating economic development. They should be organized under a charter obtained from IDC with a board of directors appointed by a tribal council for fixed terms. Non-Indians with business experience should be included on the board. The corporations should have the usual qualities of corporations in that they could sue and be sued, enter into contractual agreements, etc. Their primary responsibilities would include—

(*a*) Preparing and keeping current the necessary plans for developments;

(*b*) Developing in conjunction with the IDC a package of incentives that could be offered as an inducement to industry to locate on a reservation. For example, the tribal corporation might offer to lease a building and equipment to a company—financing them by a loan from IDC;

(*c*) Establishing Indian enterprises to develop tribal forest, recreation, or other resources. The tribal corporation probably would take the project through the feasibility study stage and then hire a manager (initially many tribes would have to rely on non-Indians for management) to set up and run the enterprise. While we expect IDC to recognize the developmental character of these Indian enterprises and, therefore, to be liberal in providing credit and technical assistance, the enterprises must be able to demonstrate economic viability after a development period;

(*d*) Providing credit for individually owned Indian businesses. The tribal corporations would act as a relending agent for IDC. This is not expected to be a large activity, but it is important to the small Indian farmer or businessman who does not have access to normal commercial credit;

(*e*) Managing tribal lands. The arrangement here could be flexible. A tribal council could turn over all or part of the management to a tribal development corporation or retain a veto power over certain aspects, such as long-term leasing or mineral rights. Using a tribal corporation would remove management from the pressure of tribal politics and encourage more productive use of tribal assets;

(*f*) Establishing tribal construction firms. As will be indicated later, housing construction offers a most promising way of providing jobs quickly on Indian reservations. The need for housing is great and the skill requirements, if extensive use is made of preassembly techniques, can be acquired rather rapidly. On-the-job training programs should be used to permit Indians to acquire necessary construction skills. The idea is to move as rapidly as possible in establishing a functioning construction organization, relying initially on non-Indian management if necessary. Because of the urgent unemployment situation on reservations, Indian labor should be given preference for jobs in housing construction.

I believe more Indian employment will be generated if the Indians themselves establish housing construction enterprises, but the requirement to use Indian labor should also apply for housing built by private contractors on reservations.

C. PLANNING

Indian tribes and the Bureau of Indian Affairs have been involved in a number of planning efforts in recent years. The two major ones have been the development of 10-year reservation programs requested by the Secretary of the Interior in 1964, and the preparation of overall economic development plans required for participation in programs of the Economic Development Administration.

The quality of these efforts has varied widely, but even the best of these plans do not provide an adequate foundation for an economic development program.

Recently, the Bureau of Indian Affairs has tried a new approach to planning in developing an estimate of the existing and potential capacity of the Turtle Mountain Indian Reservation to support the dependent population. This brief study focuses on the essential elements for development and is an example of a useful first step in development planning.

The IDC should have an adequate fund, say $15 million for grants to tribal development corporations for economic development planning.

The grants would be used for three levels of planning, (1) an economic strategy plan for the reservation, (2) a reservation profile (including special studies such as mineral inventories and skill surveys), and (3) project feasibility studies. Each of these types of planning is discussed in detail below. Grants for planning should be made on an application basis except for an initial amount that should be allocated to a tribe upon forming an acceptable tribal development corporation. Allocation of the initial grants should follow a schedule to be developed by the Indian development corporation. A maximum of $4.5 million would be used for these initial grants. The remainder should be used to finance, on a full-cost basis, the preparation of reservation profiles, special studies necessary to fill out the reservation profiles, and project feasibility studies. A tribe should contribute financially to this planning phase of development by providing the initial operating expenses of a tribal development corporation.

Each tribal development corporation should use the initial grant for the preparation of a reservation profile and, if appropriate, for an economic strategy plan. Further financial assistance should be

conditioned on the tribal development corporation submitting an acceptable economic strategy plan to IDC. The plan should be descriptive of the reservation area, the population and labor force, principal economic activities, and the area's resources. A primary emphasis should be on identifying the number of jobs needed during the next 10 years to provide a high level of employment for the tribe. All of the economic planning done by the tribal development corporation should be directly related to reducing the gap between present employment and the jobs needed to attain a level of employment comparable to the rest of the economy by 1977.

1. *Economic strategy plan.*—The tribal development corporation should take the lead in its preparation with full participation by the tribal council, IDC, the BIA, and other relevant agencies. The plan should be comprehensive in its coverage of development possibilities without trying to provide an in-depth analysis of each. To keep from getting bogged down in a long planning process, a tribal development corporation should try to complete the plan in less than 6 months, using existing data together with contributions from people familiar with the reservation and its potential for development.

The heart of the plan should be a strategy for eliminating the gap between present employment and future high-level employment through a series of action proposals, such as:

(*a*) Investment to expand existing economic activity or to establish a housing construction enterprise;

(*b*) Vocational training to qualify Indians for on- or near-reservation jobs or for out-migration;

(*c*) A package of inducements to a nonreservation resource-based industry to locate a plant on the reservation.

The plan must treat realistically the various constraints (financial, time, manpower, etc.) within which an action program must be devised. Inattention to constraints has been a major fault of previous Indian planning. Finally, the plan should focus on actions with the highest job-creating payoff and provide a schedule of priorities for action.

Primarily, the plan is a guide for the tribal corporation's action program. It is the focal point for interrelating the many variables on which successful economic development depends and it should serve as a working outline of an array of priorities for action by the tribal corporation. Updating the plan on at least an annual basis will be necessary to maintain it as an effective guide to action.

Indian Development Corporation must insure that each economic strategy plan provides a reasoned set of proposals for eliminating the reservation employment gap. Then the plan can serve as a guide to IDC in making grants for project feasibility studies and the preparation of reservation profiles.

2. *Reservation profile.*—The reservation profile should be the basic document for promoting the location of industry on Indian reservations. Several types of profiles are needed. A profile emphasizing the availability and abilities of the labor force should be prepared for reservations desiring to attract labor-intensive operations with low product transportation costs. If a reservation has an abundance of natural resources, special climatic conditions, or a strategic location in terms of markets or some other unusual competitive advantage, speical-purpose profiles, directed at a particular industry or industrial group, should be prepared. The IDC should provide technical and

finanical assistance to the tribal corporations for these special-purpose profiles.

The profile must focus on selling a particular reservation as a profitable location for industry. It should include information on the following:

(*a*) Population and labor distribution.
(*b*) Labor availability and skill on and near the reservation.
(*c*) Educational levels.
(*d*) Housing.
(*e*) Cultural characteristics of relevance to the subject.
(*f*) Utilities and public facilities.
(*g*) Transportation.
(*h*) Inventory of reservation natural resources.
(*i*) The nature of extent of tribal and Federal Government assistance available to industry locating on the reservations.
(*j*) The nature and jurisdiction of tribal government.

Where reliable information is lacking, surveys should be made. Many reservations appear to need labor or skill surveys.

The type and depth of information gathering should be governed by the priorities in the previously discussed economic strategy plan. For example, although a complete natural resources inventory may be desirable for the profile, the cost and time required for making one must be weighted against alternative efforts to attract job-creating economic activity.

3. *Project feasibility studies.*—The project feasibility study is the final step in the planning process. It must provide a tribal corporation or a firm with a profitability analysis sufficiently comprehensive to enable management to make a decision on whether or not to undertake an enterprise. The importance of the feasibility study in subsequent decisionmaking and financing necessitates careful selection of the personnel making the study. IDC should require the tribal corporations to use personnel or firms on its roster of competence for feasibility studies financed by its grants. Because these studies are relatively costly, IDC should attempt to screen out unpromising projects before going to a full feasibility study.

D. LEADERSHIP AND TRAINING

Any economic development program must depend upon an adequate number of leaders—Indian as well as non-Indian. If the anticipated gains are to endure, an increasing number of Indian leaders must be developed with the skills needed for operating in the modern economic and political setting. But one must also be aware of the opportunity the economic development programs offer for increasing Indian leadership and vocational skills.

There are, of course, Indian leaders of the highest quality now available. However, programs have sometimes been delayed or foundered for lack of a sufficient number of leaders among the Indians. If the envisioned economic activity becomes a reality, the present number of leaders will be far too few in number.

As tribal development corporations and other ventures begin to grow, the existing leadership will undoubtedly assume control. These exercises in leadership should be available for observation by potential Indian leaders from other tribes. These potential leaders should be

exposed to good projects, ably led, by several weeks' stay at the projects. During these 2- to 3-week visits, discussions could center on the problems of community organization, Federal and State programs which are relevant, techniques for sharing responsibility, and so forth.

The major focus should be that of learning by exposure to success situations involving peer groups or those with whom there is true identification. Financing and general guidance for this program should be provided by the IDC.

The tribal corporations could at the very outset establish a training program for junior management and leadership positions. These programs could be started at an existing institute such as Haskell in Lawrence, Kans. Other traditional Indian training institutions beyond high school could be used. Other organizations which have heavy interests in Indian problems and are properly equipped, such as Arizona State University, could also provide these types of courses.

In essence, these courses would be geared to provide very basic training in such fields as accounting business practices and law, and business management for those Indians who have demonstrated some leadership ability and interest, probably at the high school level. These programs could also include trips to functioning programs on Indian reservations where economic development is a key focus.

It may also be that field trips to educational institutions which have an important ingredient of management and accounting could be utilized. The important point is to expose individuals to already ongoing and established programs where some administration and business practices are involved and to the utilization of managerial functions.

There should also be established an apprenticeship training program in junior management positions in tribal government programs. In some instances, the tribal governments themselves represent an important learning mechanism for management and leadership. This type of training should be supported by the existing BIA and tribal scholarship grants or on-the-job training grants under the adult vocational training program. Young people who are interested in moving into managerial positions could be trained in an apprenticeship-type position within established tribal governments. The National Institute of Public Affairs in Washington, D.C., which is concerned with the same problem of training young people for management positions in the Federal, State, and local government agencies could be looked to for guidance as well as actual operation of training programs.

It is also possible that a number of young Indians who have left reservations to seek their fortunes elsewhere may still have ties with the reservation. When tribal development corporations or other types of ventures are underway, this potential supply of leaders could be given incentives to return to the reservation to function in a leadership capacity.

E. IMMEDIATE MEASURES TO DECREASE UNEMPLOYMENT

The above measures will require a few years for their full impact to be felt. In the interim, immediate measures are needed to reduce male unemployment on reservations, which is now about 40 percent.

I would recommend that $20 million be provided for a combined on-the-job training and public works program to provide immediate em-

ployment on Indian reservations and to upgrade the skills of many of the unskilled unemployed.

The projects should, of course, contribute to solution of the transportation, public health, and housing needs of the people. In addition, some unemployment might be alleviated, and employability of many Indians enhanced, by enrolling unskilled unemployed in prevocational training programs of up to 2 years duration for which they would receive stipends at the same rates as unemployment compensation.

Housing as a Major Source of Employment and Training

The housing conditions of Indians and Alaskan natives are worse than those of any other minority group in the Nation. Of the 76,000 houses on Indian reservations and trust lands at least three-fourths are below minimum standards of decency. These shelters, such as they are, are grossly overcrowded and more than half are too dilapidated to repair. Virtually, all the shelter of Alaskan natives is unsound, dangerously overcrowded, and unfit to live in. The conditions under which most Indians live not only threaten their life, health, and morale, but are a major contributing factor to their continuing poverty and their isolation from the fruits of constructive change and progress. Up to 1961 little visible effort was made to alleviate the housing problems of the American Indian. More recently, the problem has been acknowledged and from a large inventory of national housing devices, several, at long last, have been invoked that are proving of slight help. The number of dwelling units provided, however, has been miniscule in relation to the need. Housing construction for these families, about 1,000 to 1,500 units annually, are not even keeping pace with deterioration, decaying and population growth. The Housing Assistance Administration (HAA) is administering the program which has been providing the bulk of the new housing for Indians, such as it is. Indicative of the response is that 80 Indian tribes have organized housing authorities and applied for grants for some 5,500 homes. Half of these homes are low-rent public housing projects and the other half are mutual self-help undertakings. The low-rent projects, of which 960 dwelling units have been completed and of which 301 are under construction, cost an average of $17,500 and require rent payments equal to one-fifth of the family income. But they are only serving the upper one-tenth of Indian families.

The self-help undertakings are being built with contributed Indian land and labor under supervision of the Bureau of Indian Affairs and with materials, equipment, and skills paid for from HAA funds. One hundred thirty-six units have been completed at an average unit cost of $9,300 and 315 are under construction. Rents are upward of $7 monthly plus utilities, and ownership is possible, on the average after 17 years of payments. The program is small but it marks an important beginning.

Housing Assistance Administration has been recently considering a turnkey approach under which a tribal housing authority will agree to buy houses designed and built by a private contractor. Housing Assistance Administration feels that this will produce houses faster and up to 20 percent cheaper. If it is successful and substantial it could offer a helpful prospect to a group of Americans that has too long been neglected in the march of progress.

Other housing programs from the general inventory of Federal housing aids have also been helpful although not too substantial. In the period 1960–65 only 393 Federal Housing Administration insured loans were made to Indian families. In the same period only 124 home construction loans were made by the Farmers Home Administration and despite the large number of Indian war veterans, few have qualified for the Veterans' Administration mortgage guarantee program. In addition, BIA, through its revolving credit funds, has made loans for both new housing and housing improvement indirectly through the tribes, but between 1960 and 1965, only 1,200 Indian families benefited with new homes. BIA, between 1963–66, has produced 368 new homes for the most severely handicapped families, mainly in the northern tier of States. OEO is sponsoring experimental programs. One is on the Rosebud Reservation in South Dakota involving 375 units of minimum standard at an overall cost of $5,000. The other project at three Minnesota reservations is designed to train Indians in the building trades. The costs per unit are expected to be $11,400. OEO and the manpower development training program will expend $6,600 per unit for supervision and training costs. A few Indian tribes have also set aside specific sums for new housing and home improvement, but these too have been of minor significance in relation to the total situation. The $10 million authorized in 1966 for the housing of Alaskans at maximum per unit cost of $7,500 will provide homes for no more than about 1,300 native families.

If all of the programs mentioned were carried to their maximum projection and if all of the HAA assisted dwellings were completed in a year, it would be hardly more than a demonstration. The rate of building would not keep pace with the continuing deterioration and dilapidation, needs resulting from families moving to centers of employment, and continuing population growth. Impediments to more rapid progress in the housing field are certainly not a part of the focus of this particular study having to do with employment and training. It is interesting to note, however, that one of the causes of the Federal Government's housing dollar not going as far as it should results from the Davis-Bacon policy having to do with wage structures. Indian housing costs are often inflated by as much as 25 percent by the Department of Labor's current policy of determining prevailing Davis-Bacon wages for construction under Government contract. Under this policy union scales prevailing for commercial construction in urban centers becomes a standard rather than prevailing wages for housing construction in the private sector on or near the reservation. Wage rates for housing construction on the Arizona side of the Navajo Reservation, for example, are based on the Phoenix rate plus a travel increment, bringing the total hourly wage for a common laborer to $3.74 an hour, or more than *double* the prevailing rate on the reservation.

A number of experts concerned with Indian housing have indicated that over a 10-year period roughly 100,000 units, of which approximately 80,000 units are new, would have to be provided for the housing needs of the Indian population. The difference of about 20,000 units would presumably be those which have to be repaired, renovated, or extended in some manner. If we are to assume that an average unit might cost in the neighborhood of $10,000, then a program of approximately $1 billion is indicated. Not only is this a massive expenditure, *but it is also an opportunity for a massive training program.* Housing

and transportation, as well as the shopping centers which should be concomitant with a major housing effort, represent an opportunity for the infusion of new and more meaningful apprenticeship training programs and MDTA as well as on-the-job training programs in all reservation areas calling for this additional housing. Beyond the housing itself, however, it must be understood that the roads and the communication nets which would have to be established to service these new communities could become the basis for training in a number of areas in the construction fields. This training opportunity, of course, would call for a major change with regard to the use of force account.

Prior to 1953 most of the construction projects on Indian reservations utilized manpower on those reservations. During the middle and late 1950's, however, there was a radical move away from the use of force account in the direction of commercial contracts involving employees from outside the Indian areas. In the recommendations of the task force on Indian Affairs in 1961 it was recommended that "wherever contracts are let for construction on Indian reservations, the Bureau of Indian Affairs or tribal government should insist that these contracts contain clauses giving employment preference to local residents. To do so will not violate Executive policy with respect to fair employment practices, since the basis for employment preference will not be racial." Since this report was issued, steps have been taken to increase the force-account participation in contract work on the reservations. For example, by November of 1966 road construction had been converted from 100 percent contractor to about 50 percent force account and 50 percent contract. And it is estimated that during 1966 almost 1,500 man-years of Indian labor were generated by this change. The housing improvement program was initiated in 1964 and was 100 percent force account. The building and utilities construction program has remained generally unchanged with about 94 percent carried out by contract. Except for large complicated projects, the Alaska work has continued to be done by force account.

As a result then, we have begun to move in the direction of more force account; and in some types of construction, the force-account proportion is quite high. This, however, should be continued; and, in the event of a major housing effort, force account should be utilized not only for the immediate labor input but as a means of coupled, on-the-job, and institutional training programs. The housing needs of the Indian population represents a dramatic opportunity which, if it is seized upon, can become a major training ground in the construction trades with opportunities resulting not only for continued employment on the reservation, but for employment in the various construction trades in cities to which young Indians may move in the future.

Reorganizing for More Effective Indian Programs

In closing I would like to concentrate on one major remaining issue. This is the issue having to do with the adequacy of the present location of Federal organizations dealing with Indian problems.

The Bureau of Indian Affairs has been in the Department of the Interior since 1849, the year the Department was established (it was previously in the War Department). Until 1955, the Bureau was responsible for providing all Federal services to Indians. In 1955 the responsibility for providing health services was transferred to the

Public Health Service, where it currently rests. (However, the appropriation for the Division of Indian Health is not reviewed by the subcommittees responsible for the Public Health Service appropriation; it is considered by those responsible for the Bureau of Indian Affairs appropriation.)

In fiscal year 1966, the Bureau of Indian Affairs had an employment ceiling of 15,951 and an appropriation of $207.6 million. All but 300 of the Bureau's staff are located in the field. As can be seen from the attached table, over 9,000 people and $109 million—that is, 57 percent of the people and 53 percent of the budget—were required for the education function. In the same year, the Division of Indian Health employed 5,740 people and had an appropriation of $81.3 million. Thus, two-thirds of the people and two-thirds of the funds are required to provide education and health services to Indians. If welfare, guidance, relocation, and vocational training services are added, three-quarters of the aggregate appropriation for Indians is allocated to health, education, and welfare functions.

In addition to these appropriations, in the past few years several other agencies have initiated significant programs affecting Indians. The Office of Economic Opportunity and affiliated agencies obligated $31.9 million in fiscal year 1966 for projects benefiting about 100 tribes in 23 States. The Housing Assistance Administration has provided $17 million for public housing—both for low rent and mutual self-help—on Indian reservations in fiscal years 1964 through 1966. The Economic Development Administration made available $2.3 million in fiscal year 1966. The Office of Education provides funds to the public schools in which 100,000 Indian children are being educated, but data are not available on the amounts benefiting Indians from their various programs—particularly under Public Laws 874 and 815 (Federal impact areas) and Public Law 89–10 (the Elementary and Secondary Education Act).

Bureau of Indian Affairs—Appropriations and employment

	Appropriations (millions)			
	1956	1961	1966	1966 employment
Education				9,116
Operation	$39.0	$55.5	$87.0	
Construction	5.0	12.0	22.0	
Welfare and guidance	3.8	6.9	13.5	388
Law and order	.4	1.3	2.9	276
Road:				
Maintenance	2.3	2.8	3.8	338
Construction	4.7	9.5	17.5	970
Relocation and vocational training	7.0	6.5	14.5	471
Management and development of trust property	8.4	14.0	17.8	1,688
Agricultural extension	.9	1.2	1.8	55
Credit assistance	.4	.3	1.6	141
Tribal operations and reservation programs	.3	.7	2.9	226
Irrigation: Construction and operation	3.7	4.7	13.3	834
Construction and maintenance of buildings	.8	1.6	2.8	398
Industrial development			.7	50
Housing development			.8	95
General administration and other	2.7	4.0	4.7	960
Total	74.4	121.0	207.6	15,951
Division of Indian Health, HEW:				
Medical care:				
Operation	33.8	49.7	67.2	5,740
Construction	5.0	9.7	14.1	
Total	38.8	59.4	81.3	5,740

In the material analyzed and evaluated in the preparation of this paper, the writer could not help but be impressed by:

A. The lack of socioeconomic data about Indians

Considering the continuity of responsibility for so many years and the extraordinary complexity of the problems for which the Bureau of Indian Affairs has been responsible, the discovery that such data were not available comes as a real shock to any researcher. The Bureau has no really hard data on population dynamics, income, employment, education, and so forth. It has few benchmarks against which to measure progress, and more importantly, grossly inadequate data on which to base economic development and manpower programs.

B. The total lack of research

A related matter, equally shocking, is the total absence of any research and demonstration funds in the BIA budget. A sensitivity to social science research and the linkages between research and demonstration and program innovation has not existed in the past in BIA. Apparently the Department of the Interior has not served to catalyze such an interest by providing any resource stimulus.

C. The absence of consultants

The Department of the Interior and the BIA apparently were, in the past, untroubled by their lack of access to consultants. Interior's departmental appropriation bill restricts total annual expenditures for consultants to $200,000 (slightly over one-tenth of 1 percent of its $1.5 billion budget). BIA, which accounts for 15 percent of the Interior Department's total budget, is allocated $6,500 for consultants, or about 3 percent for the consultant funds. Not surprisingly, the BIA makes very little use of consultants. (By way of contrast, HEW had $5,572,000 allocated for consultants in fiscal year 1967—27 times the amount of Interior's allocation, although its budget is only 10 times greater than Interior's.)

D. The organizational status and location of the Bureau

The Commissioner of the BIA reports to the Assistant Secretary of Land Development. But the central concern of the BIA today is *human* resource development, not land management. It was only a year ago, in mid-1966, that the educational function was elevated in status from a branch to a division—this despite the fact that over half the BIA staff and half its budget are devoted to education.

On the basis of the foregoing, two conclusions would appear to be called for, at least to the writer:

I. Primary responsibility for Indian affairs should be transferred from the Secretary of the Interior to the Secretary of Health, Education, and Welfare.

II. All of the functions currently assigned to the Bureau of Indian Affairs should be transferred to a single new agency in the Department of Health, Education, and Welfare. This new agency should have a direct reporting channel to the Secretary, probably through an Administrator for Indian Affairs.

The transfer of overall responsibility for Indian affairs to HEW would place executive branch responsibility in the department best equipped to develop effective programs to meet the needs of the Indian people, because it is the department responsible for related

programs for the general public. HEW programs emphasize human development as contrasted with Interior's program emphasis on conservation and natural resources. (The recent transfer of the water pollution responsibility from HEW to Interior was clearly consistent with this recommendation.)

The Indian affairs functions consist of two types of activities: (1) providing to Indians on reservations most of the services the rest of the population receives from State or local governments; and (2) serving as trustee in matters subject to Federal trusteeship authority.

The major services in the former category are in the area of education, health, welfare, and resource management. The first three of these services account for 75 percent of the BIA budget. They clearly are activities which can obtain stronger policy and technical support in HEW than they can in Interior.

While the trusteeship category is associated primarily with land management, by and large, BIA carries out its responsibilities largely independent of other Interior agencies. Many of the activities, for example, involve the welfare staff of BIA and the Department's legal staff on such matters as settlement of estates, guardianship of minors, and incompetents with respect to income from any source, assistance in family budget planning and other counseling of adult Indians. BIA relies on the Geological Survey to advise on mineral leasing and to supervise oil and gas production on Indian lands, and it relies on other Interior agencies, such as the land records staff of the Bureau of Land Management to provide the same services they would to any other agency or to the general public. There is no reason why these services cannot continue to be provided by the same agencies in the same way if BIA were to be transferred to HEW.

BIA now has extensive working relationships with HEW agencies and the transfer to HEW would ease the extensive problem of interagency coordination. Necessary coordination in the land and resource management agencies is less extensive and significant than that required in the areas of health, education, and welfare.

BIA also maintains continuous relationships with State education and welfare agencies whose primary Federal relationships are with HEW. The character of Indian welfare problems, frequently involving complex policies related to eligibility for assistance, has raised serious problems in Federal, State, and local relationships. HEW, because of its close working relations with State education and welfare agencies, could be of great assistance in facilitating improved intergovernmental relations in the area of Indian affairs.

Since this paper was to be concerned with training and employment, one might well wonder why the Department of Labor might not be a more logical site for an Indian training and employment program. The answer grows out of several complicating factors:

I. For a group of people with the diverse educational, cultural, health, housing, and employment problems of the Indian, the Federal agency bearing primary responsibility for Indian programs, must itself be diverse and broad. Few would deny that the Department of HEW is broader in scope than the Department of Labor.

II. Viewed in a system context, job training and employability for the Indian makes no sense unless it is seen in the framework of the fundamental educational, health, and welfare programs supervised by

HEW. Obviously, the Department of Labor and the Department of Housing and Urban Development will be consultant agencies, sharing programs and planning mutual objectives. Likewise, the Department of Commerce and other agencies concerned with economic development will similarly be called upon and be involved in relevant planning and programing.

III. Finally, the American Indian must be provided options from among which *he* will choose. But to bring him to the point of wise choice, all the services which HEW provides must first be available, *and in abundance.* To choose a life skill and way of earning a living is complicated to the non-Indian. But to the Indian, a wise choice can only follow after a sufficient program of education, counseling, and involvement, if he chooses, in the way of the non-Indian culture. Only the Department of HEW among the Federal agencies is philosophically equipped to perform this task.

For this suggested move of Federal responsibility to take place with a fair chance of success, however, there is a serious warning. Such a move should only take place after lengthy educational, clarifying discussions with a broad representation of Indian tribes and Indian leaders. A transfer of responsibility without such involvement could easily be viewed by Indians as a move paving the way for termination. Opposition would automatically follow. For another reason, however, this Indian involvement should follow. Most simply put, it is because it is about time this Government broke its unfortunate tradition of dealing with Indians as though they are simple-minded children. The American Indians number amongst them a normal proportion of leaders and thoughtful citizens. The longer we continue to plan *for* them, without their involvement, the longer we will continue to be confronted with well-earned suspicion and failure of programs.

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